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INTELLIGENCE REPORT

1947 DEC 03 16 15

COUNTRY Germany (Russian Zone)

SUBJECT Buna-Werke, Schkopau

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ORIGIN

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INFO.

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SUPPLEMENT

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1. The Buna Works in Schkopau, officially known as Chemische Werke Buna der Sowjetischen Aktiengesellschaft, now have their headquarters in Moscow and are assessed at a value of four hundred million rubles, according to the official monitor of Land Saxony-Anhalt of January 1947.

2. The works are divided into five sections:

Section A (Körperchemie), including separate factories for carbide, acetylene, acid-aldehyde, and chlorine.

Section K (significance of abbreviation unknown), including factories for alcohol, butadiene, and butadiene.

Section P (Polymerization), including a polymerization plant and a styrol factory.

Section TAM (Technische Abteilung Energie -- Technical Section Power), providing power for the works and maintaining machines and equipment.

Section ATA (Anwendungstechnische Abteilung -- Technical Applied Section), providing supplies to be used only within the enterprise, such as car and bicycle tires, etc.

3. The main product of the works is buna. The production quota for 1947 was set at 40,000 tons, about two-thirds of the maximum output the works achieved during the war. During the first half of 1947, the production program was fulfilled, since the works produced around 20,000 tons of buna. In order to reach this figure, however, manufacture of acetylene products had to be discontinued because all the acetylene was needed for buna. For this reason, production of acetic acid stopped during the first quarter of 1947 and of synthetic lubricants in July 1947. It is improbable that the output for the second half of 1947 can be increased beyond 20,000 tons, although it can achieve that amount if machinery, power plants, and other equipment, which are badly worn from long use, can be kept in repair. So far the 1947 production shows a considerable increase

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over the 1946 total, which was only 25,000 tons of buna.

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4. In addition to buna, the works produce a number of other products, including:
 - a. Vinyl chloride from acetone and chloric acid; it is worked up into igelite in the Buna Works and into polyvinyl chloride at Bitterfeld, for the manufacture of synthetic rubber soles.
 - b. Glysantin, an anti-freeze substance.
 - c. Ethyl glycol, a varnish solvent and anti-freeze.
 - d. Formaldehyde.
 - e. Phthalic acid, produced on a naphthalene base.
 5. Di-glycol, which the works produced during the war for manufacture of explosives, is no longer being produced.
 6. About five percent of the works' production is allotted for German use, the bulk of the remainder to Russia. Some goes to Czechoslovakia and probably a small amount to the Scandinavian countries. Of the five percent destined for Germany, some is consumed in the Russian Zone and some by firms in the western zones which work the buna into tires and return part of them as compensation. These firms include Dunlop of Hanau, Metzeler of Munich, and Continental of Hannover.
 7. Buna production is dependent upon importation of coke, hard coal, and benzol from Poland and Czechoslovakia. The lime required is furnished by a Soviet AG in Rübeland (Harz), and benzoyl peroxide comes from IG Farben in Höchst.
 8. The Russians never dismantled the Buna Works in Schkopau. In 1945 they removed and shipped to Russia one compressor, which was not yet functioning.
 9. The Russian general direction of the firm is headed by Nasarov, a Russian civilian who replaced Colonel Katveyev. Directly under Nasarov, as production chief, is a Russian Major Markevich, who usually wears civilian clothes. A number of Russian civilians act as department heads, factory directors, etc. In addition to the Russian direction, there is also a German management, which works under direct and strict Russian control. The principal German officials are:
 - a. Plant director (Werksleiter), Johannes Nelles, chemist (IDP)
 - b. Production chief, Dr. von Leibitz (previously spelled Leiwitz), chemist (IDP)
 - c. Technical director, Schumacher, engineer, a former Nazi, now without political affiliation but opposed to SED
 - d. Commercial director, Rühr, without political affiliation but opposed to SED
- Originally the German management also included an IDGB representative a Communist SED member named Krenker. He was removed from this post by the Russians and put in charge of supplies needed for the works, such as tires, food for specialists, goods to be exchanged for other products, etc. There is no longer a trade union representative in the German direction.
10. The total crew of the works is roughly 15,000 strong, including office workers, laborers, mechanics, machinists, construction workers, etc. About 3000 are actually employed on buna production. Work is organized in shifts of twelve hours on and twenty-four hours off, with a fifty-four hour average week for workers and a forty-eight hour week for office personnel, locksmiths, construction workers, etc.
 11. Buna workers receive a base pay of 0.70 RM per hour, which may be increased to 1.10 RM according to type of work and length of service. Specialists, among which are included engineers, chemists, direction personnel, and department heads, receive one food package a month in addition to their salaries, but the package has to be purchased

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at an average cost of sixty RM. Specialist packages contain ten pounds of flour, six pounds of meat, two pounds of butter, two pounds of starchy food, twenty pounds of potatoes, and two hundred cigarettes. Department heads receive larger packages, containing three hundred cigarettes, and direction members still larger supplies. So-called half-packages are issued to laboratory workers and -- very seldom -- to foremen.

12. During "Operation Ossawakim" in October 1946, four buna specialists were deported, the only personnel at the works who were affected:
 - a. Dr. Theodor Fischer, specialist in acetic acid and acetone. According to letters from him received by his friends, he went first to Moscow, later to a place on the Volga, and is about to go to the Ural region.
 - b. Dr. Stauffer, specialist in opanol (synthetic rubber), present location unknown.
 - c. Dr. Eugen Dorrer, specialist in phthalic acid. He succeeded in escaping from the deportation transport and was later recruited for work in France, where he now is.
 - d. Dr. Wenning, specialist in buna polymerization, who also escaped from the transport and is now in Ludwigshafen, French Zone.
13. The Buna Works are under surveillance by German LVD agents. When a series of fires and explosions occurred in the works in March 1947, probably from accidental causes, the LVD conducted a long, searching investigation to determine whether the accidents were due to sabotage. Members of the staff who were interrogated were asked many questions not pertaining to production, such as the ideological tendencies of the German directorate.

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